



Billing Code: 4310-MR

## **DEPARTMENT OF THE INTERIOR**

### **Bureau of Ocean Energy Management**

**[MMAA104000]**

#### **Central Gulf of Mexico Planning Area Outer Continental Shelf Oil and Gas Lease Sale 241**

**AGENCY:** Bureau of Ocean Energy Management (BOEM), Interior.

**ACTION:** Final notice of sale.

**SUMMARY:** On Wednesday, March 23, 2016, BOEM will open and publicly announce bids received for blocks offered in the Central Planning Area (CPA) Outer Continental Shelf (OCS) Oil and Gas Lease Sale 241 (CPA Sale 241), in accordance with the provisions of the OCS Lands Act (OCSLA, 43 U.S.C. 1331-1356, as amended) and the implementing regulations issued pursuant thereto (30 CFR parts 550 and 556).

The CPA Sale 241 Final Notice of Sale (NOS) Package (Final NOS Package) contains information essential to potential bidders. Bidders are charged with knowing the contents of the documents contained in the Final NOS Package.

**DATES: Dates And Time:** Public Bid reading for CPA 241 will begin at 9:00 a.m. on Wednesday, March 23, 2016. All times referred to in this document are Central Time, unless otherwise specified.

**Bid Submission Deadline:** BOEM must receive all sealed bids between 8:00 a.m. and 4:00 p.m. on normal working days, or from 8:00 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, March 22, 2016, the day before the lease sale. For more information on bid submission, see Section VII, "Bidding Instructions," of this document.

**ADDRESSES:** The Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level; parking will be available at Garage 6.

Interested parties, upon request, may obtain a compact disc (CD-ROM) containing the Final NOS Package by contacting the BOEM Gulf of Mexico (GOM) Region at:

Gulf of Mexico Region Public Information Office

Bureau of Ocean Energy Management

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

(504) 736-2519 or (800) 200-GULF

or by visiting the BOEM website at <http://www.boem.gov/Sale-241/>.

## **SUPPLEMENTARY INFORMATION:**

### **Table Of Contents**

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## I. LEASE SALE AREA

**Blocks Offered for Leasing:** BOEM proposes to offer for bid in this lease sale all of the available unleased acreage in the CPA, except those blocks listed in “Blocks Not Offered for Leasing” below.

**Blocks Not Offered for Leasing:** The following whole and partial blocks are not offered for lease in this sale:

Whole and partial blocks deferred by the Gulf of Mexico Energy Security Act of 2006, Pub. L. No. 109-432:

#### Pensacola (OPD NH 16-05)

Whole Blocks: 751 through 754, 793 through 798, 837 through 842, 881 through 886, 925 through 930, and 969 through 975

#### Destin Dome (OPD NH 16-08)

Whole Blocks: 1 through 7, 45 through 51, 89 through 96, 133 through 140, 177 through 184, 221 through 228, 265 through 273, 309 through 317, 353 through 361, 397 through 405, 441 through 450, 485 through 494, 529 through 538, 573 through 582, 617 through 627, 661 through 671, 705 through 715, 749 through 759, 793 through 804, 837 through 848, 881 through 892, 925 through 936, and 969 through 981

DeSoto Canyon (OPD NH 16-11)

Whole Blocks: 1 through 15, 45 through 59, and 92 through 102

Partial Blocks: 16, 60, 61, 89 through 91, 103 through 105, and 135 through 147

Henderson (OPD NG 16-05)

Partial Blocks: 114, 158, 202, 246, 290, 334, 335, 378, 379, 422, and 423

Blocks that are adjacent to or beyond the United States Exclusive Economic Zone in the area known as the northern portion of the Eastern Gap:

Lund South (OPD NG 16-07)

Whole Blocks: 128, 129, 169 through 173, 208 through 217, 248 through 261, 293 through 305, and 349

Henderson (OPD NG 16-05)

Whole Blocks: 466, 508 through 510, 551 through 554, 594 through 599, 637 through 643, 679 through 687, 722 through 731, 764 through 775, 807 through 819, 849 through 862, 891 through 905, 933 through 949, and 975 through 992

Partial Blocks: 467, 511, 555, 556, 600, 644, 688, 732, 776, 777, 820, 821, 863, 864, 906, 907, 950, 993, and 994

Florida Plain (OPD NG 16-08)

Whole Blocks: 5 through 24, 46 through 67, 89 through 110, 133 through 154, 177 through 197, 221 through 240, 265 through 283, 309 through 327, and 363 through 370

The following blocks whose lease statuses are currently under appeal:

West Cameron (Leasing Map LA1) Block 171

## **II. STATUTES AND REGULATIONS**

Each lease is issued pursuant to OCSLA, and is subject to OCSLA, implementing regulations promulgated pursuant thereto, and other applicable statutes and regulations in existence upon the effective date of the lease, as well as those applicable statutes enacted and regulations promulgated thereafter, except to the extent that the after-enacted statutes and regulations explicitly conflict with an express provision of the lease. Each lease is also subject to amendments to statutes and regulations, including, but not limited to, OCSLA, that do not explicitly conflict with an express provision of the lease. The lessee expressly bears the risk that such new or amended statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligations under the lease.

## **III. LEASE TERMS AND FINANCIAL CONDITIONS**

### **Lease Terms**

#### **OCS Lease Form**

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale. This lease form may be viewed on the BOEM website at <http://www.boem.gov/About-BOEM/Procurement-Business-Opportunities/BOEM-OCS-Operation-Forms/BOEM-2005.aspx>. The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to the individual lease. The terms, conditions, and stipulations applicable to this sale are set forth below.

## Initial Periods

Initial periods are summarized in the following table:

<b>Water Depth (Meters)</b>	<b>Initial Period</b>
<b>0 to &lt; 400</b>	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS) during the first 5 years of the lease
<b>400 to &lt; 800</b>	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period) if a well is spudded during the first 5 years of the lease
<b>800 to &lt; 1,600</b>	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period) if a well is spudded during the first 7 years of the lease
<b>1,600 +</b>	10 years

- (1) The standard initial period for a lease in water depths less than 400 meters issued as a result of this sale is 5 years. If the lessee spuds a well targeting hydrocarbons below 25,000 feet TVD SS within the first 5 years of the lease, then the lessee may earn an additional 3 years, resulting in an 8-year extended initial period. The lessee will earn the 8-year extended initial period when the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) Gulf of Mexico Regional Supervisor for Production and Development, within 30 days after completion of the drilling operation, a letter providing the well number, spud date, information demonstrating a target below 25,000 feet TVD SS and whether that target

was reached, and if applicable, any safety, mechanical, or other problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The BSEE Gulf of Mexico Regional Supervisor for Production and Development must concur in writing that the conditions have been met for the lessee to earn the 8-year extended initial period. The BSEE Gulf of Mexico Regional Supervisor for Production and Development will provide a written response within 30 days of receipt of the lessee's letter.

A lessee that has earned the 8-year extended initial period by spudding a well with a hydrocarbon target below 25,000 feet TVD SS during the first 5 years of the lease, confirmed by BSEE, will not be granted a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

- (2) The standard initial period for a lease in water depths ranging from 400 to less than 800 meters issued as a result of this sale is 5 years. The lessee will earn an additional 3 years, resulting in an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- (3) The standard initial period for a lease in water depths ranging from 800 to less than

1,600 meters issued as a result of this sale will be 7 years. The lessee will earn an additional 3 years, resulting in a 10-year extended initial period, if the lessee spuds a well within the first 7 years of the lease.

In order to earn the 10-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee has earned the 10-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

- (4) The standard initial period for a lease in water depths 1,600 meters or greater issued as a result of this sale will be 10 years.

### **Financial Conditions**

#### **Minimum Bonus Bid Amounts**

- \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper

BOEM will not accept a bonus bid unless it provides for a cash bonus in the amount equal to, or exceeding, the specified minimum bid of \$25.00 per acre or fraction thereof for blocks in water depths less than 400 meters, and \$100.00 per acre or fraction thereof for blocks in water depths 400 meters or deeper.



## **Rental Rates**

Annual rental rates are summarized in the following table:

<b>Rental Rates per Acre or Fraction Thereof</b>		
<b>Water Depth (Meters)</b>	<b>Years 1-5</b>	<b>Years 6, 7, &amp; 8 +</b>
<b>0 to &lt; 200</b>	\$7.00	\$14.00, \$21.00, & \$28.00
<b>200 to &lt; 400</b>	\$11.00	\$22.00, \$33.00, & \$44.00
<b>400 +</b>	\$11.00	\$16.00

### **Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Water Depths Less Than 400 Meters**

Any lessee with a lease in less than 400 meters water depth who earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in less than 400 meters water depth will become fixed and no longer escalate, if another well is spudded targeting hydrocarbons below 25,000 feet TVD SS after the fifth year of the lease, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

### **Royalty Rate**

- 18.75 percent

### **Minimum Royalty Rate**

- \$7.00 per acre or fraction thereof per year for blocks in water depths less than 200 meters
- \$11.00 per acre or fraction thereof per year for blocks in water depths 200 meters or deeper

## **Royalty Suspension Provisions**

The issuance of leases with royalty suspension volumes (RSVs) or other forms of royalty relief is authorized under existing BOEM regulations at 30 CFR part 560. The specific details relating to eligibility and implementation of the various royalty relief programs, including those involving the use of RSVs, are codified in BSEE regulations at 30 CFR part 203. In CPA Sale 241, the only royalty relief program being offered, which involves the provision of RSVs, relates to the drilling of ultra-deep wells in water depths of less than 400 meters, as described below.

Leases issued as a result of this sale may be eligible for RSV incentives on gas produced from ultra-deep wells pursuant to 30 CFR part 203. These regulations implement the requirements of the Energy Policy Act of 2005. Under this program, certain wells on leases in less than 400 meters water depth and completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet on the production of natural gas. This RSV incentive is subject to applicable price thresholds set forth in the regulations at 30 CFR part 203.

## **IV. LEASE STIPULATIONS**

One or more of the following stipulations may be applied to leases issued as a result of this sale. The detailed text of these stipulations is contained in the “Lease Stipulations” section of the Final NOS Package.

- (1) Topographic Features
- (2) Live Bottom
- (3) Military Areas
- (4) Evacuation
- (5) Coordination
- (6) Blocks South of Baldwin County, Alabama

- (7) Law of the Sea Convention Royalty Payment
- (8) Protected Species
- (9) Below Seabed Operations
- (10) Agreement between the United States of America and the United Mexican States  
Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico

## **V. INFORMATION TO LESSEES**

The Information to Lessees (ITL) clauses provide detailed information on certain issues pertaining to this oil and gas lease sale. The detailed text of these ITL clauses is contained in the “Information to Lessees” section of the Final NOS Package:

- (1) Navigation Safety
- (2) Ordnance Disposal Areas in the CPA
- (3) Communications Towers
- (4) Existing and Proposed Artificial Reefs/Rigs to Reefs
- (5) Lightering Zones
- (6) Indicated Hydrocarbons List
- (7) Military Areas in the CPA
- (8) Bureau of Safety and Environmental Enforcement (BSEE) Inspection and Enforcement  
of Certain Coast Guard Regulations
- (9) Deepwater Port Applications for Offshore Liquefied Natural Gas Facilities
- (10) Ocean Dredged Material Disposal Sites
- (11) Potential Sand Dredging Activities in the CPA
- (12) Below Seabed Operations
- (13) Industrial Waste Disposal Areas

- (14) Air Quality Permits
- (15) Notice of Arrival on the Outer Continental Shelf
- (16) Gulf Islands National Seashore
- (17) Bidder/Lessee Notice of Obligations Related to Criminal/Civil Charges and Offenses, Suspension, or Debarment; Disqualification Due to a Conviction under the Clean Air Act or the Clean Water Act
- (18) Protected Species
- (19) Flower Garden Banks Expansion

## **VI. MAPS**

The maps pertaining to this lease sale may be found on the BOEM website at <http://www.boem.gov/Sale-241/>. The following maps also are included in the Final NOS Package:

### **Lease Terms and Financial Conditions Map**

The lease terms and financial conditions and the blocks to which these terms and conditions apply are shown on the map entitled, “Final, Central Planning Area, Lease Sale 241, March 23, 2016, Lease Terms and Financial Conditions,” which is included in the Final NOS Package.

### **Stipulations and Deferred Blocks Map**

The blocks to which one or more lease stipulations may apply are shown on the map entitled, “Final, Central Planning Area, Lease Sale 241, March 23, 2016, Stipulations and Deferred Blocks Map,” which is included in the Final NOS Package.

## **VII. BIDDING INSTRUCTIONS**

Instructions on how to submit a bid, secure payment of the advance bonus bid deposit (if applicable), and what information must be included with the bid are as follows:

### **Bid Form**

For each block bid upon, a separate sealed bid must be submitted in a sealed envelope (as described below) and must include the following:

- total amount of the bid in whole dollars only;
- sale number;
- sale date;
- each bidder's exact name;
- each bidder's proportionate interest, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent);
- typed name and title, and signature of each bidder's authorized officer;
- each bidder's qualification number;
- map name and number or Official Protraction Diagram (OPD) name and number;
- block number; and
- statement acknowledging that the bidder(s) understand that this bid legally binds the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid amount on all apparent high bids.

The information required on the bid(s) is specified in the document "Bid Form" in this Final NOS Package. A blank bid form is provided herein for convenience and may be copied and completed with the necessary information described above.

## **Bid Envelope**

Each bid must be submitted in a separate sealed envelope labeled as follows:

- “Sealed Bid for Oil and Gas Lease Sale 241, not to be opened until 9 a.m. Wednesday, March 23, 2016;”
- map name and number or OPD name and number;
- block number for block bid upon; and
- the exact name and qualification number of the submitting bidder only.

The Final NOS Package includes a sample bid envelope for reference.

## **Mailed Bids**

If bids are mailed, please address the envelope containing the sealed bid envelope(s) as follows:

Attention: Leasing and Financial Responsibility Section

BOEM Gulf of Mexico Region

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

**Contains Sealed Bids for CPA Oil and Gas Lease Sale 241**

**Please Deliver to Ms. Cindy Thibodeaux or Mr. Carrol Williams,**

**2nd Floor, Immediately**

### **Please Note:**

Bidders mailing bid(s) are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Mr. Carrol Williams at (504) 736-2803, immediately after putting their bid(s) in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Gulf of Mexico Regional Director (RD) will return those bids unopened to bidders. Please see “Section XI.

Delay of Sale” regarding BOEM’s discretion to extend the Bid Submission Deadline in the case of an unexpected event (e.g., flooding or travel restrictions) and how bidders can obtain more information on such extensions.

### **Advance Bonus Bid Deposit Guarantee**

Bidders that are not currently an OCS oil and gas lease record title holder or designated operator, or those that have ever defaulted on a one-fifth bonus bid deposit, by Electronic Funds Transfer (EFT) or otherwise, must guarantee (secure) the payment of the one-fifth bonus bid deposit prior to bid submission using one of the following four methods:

- provide a third-party guarantee;
- amend an areawide development bond via bond rider;
- provide a letter of credit; or
- provide a lump sum payment in advance via EFT.

For more information on EFT procedures, see Section X of this document entitled, “The Lease Sale.”

### **Affirmative Action**

Prior to bidding, each bidder should file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) with the BOEM Gulf of Mexico Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order No. 11246, issued September 24, 1965, as amended by Executive Order No. 11375, issued October 13, 1967, and by Executive Order 13672, issued July 21, 2014. Both forms must be on file for the bidder(s) in the GOM Region Adjudication Section prior to the execution of any lease contract.

## Geophysical Data and Information Statement (GDIS)

The GDIS is composed of three parts:

- 1) the “Statement” page includes the company representatives’ information and lists of blocks bid on that used proprietary data and those blocks bid on that did not use proprietary data;
- 2) the “Table” listing the required data about each proprietary survey used (see below); and
- 3) the “Maps” being the live trace maps for each survey that are identified in the GDIS statement and table.

Every bidder submitting a bid on a block in CPA Sale 241, or participating as a joint bidder in such a bid, must submit at the time of bid submission all three parts of the GDIS. A bidder must submit the GDIS *even if a joint bidder or bidders on a specific block also have submitted a GDIS*. Any speculative data that has been reprocessed externally or “in-house” is considered proprietary due to the proprietary processing and is no longer considered to be speculative.

The GDIS must be submitted in a separate and sealed envelope, and must identify all proprietary data; reprocessed speculative data, and/or any Controlled Source Electromagnetic surveys, Amplitude Versus Offset (AVO), Gravity, or Magnetic data; or other information used as part of the decision to bid or participate in a bid on the block. The bidder and joint bidder must also include a live trace map (e.g., .pdf and ArcGIS shape file) for each *proprietary* survey that they identify in the GDIS illustrating the actual areal extent of the *proprietary* geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information). The shape file *must not* include cultural information; only the live trace map of the survey itself.



The GDIS statement must include the name, phone number, and full address of a contact person and an alternate who are both *knowledgeable about the information and data listed and who are available for 30 days after the sale date*. The GDIS statement also must include entries for all blocks bid upon that did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate as a joint bidder in the bid. The GDIS statement must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

The GDIS table should have columns that clearly state the sale number; the bidder company's name; the block area and block number bid on; the owner of the original data set (i.e., who initially acquired the data); the industry's original name of the survey (e.g., E Octopus); the BOEM permit number for the survey; whether the data set is a fast track version; whether the data is speculative or proprietary; the data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth); migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data and areal extent of bidder survey (i.e., number of line miles for 2-D or number of blocks for 3-D). Provide the computer storage size, to the nearest gigabyte, of each seismic data and velocity volume used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set, if applicable. The availability of reimbursement of production costs will be determined consistent with 30 CFR 551.13. The next column should state who reprocessed the data (e.g., external company name or "in-house") and when the date of final reprocessing was completed (month and year). If the data was sent to BOEM for bidding in a previous lease sale, list the date the data was processed (month and year) and indicate if AVO data was used in the evaluation. BOEM reserves the right to query about alternate data sets, to quality check, and to compare the listed and alternative data

sets to determine which data set most closely meets the needs of the fair market value determination process. An example of the preferred format of the table may be found in the Final NOS Package, and a blank digital version of the preferred table may be accessed on the CPA Sale 241 sale page at <http://www.boem.gov/Sale-241/>.

The GDIS maps are live trace maps (in .pdf and ArcGIS shape files) that should be submitted for each *proprietary* survey that is identified in the GDIS table. They should illustrate the actual areal extent of the proprietary geophysical data in the survey (see the “Example of Preferred Format” in the Final NOS Package for additional information). As previously stated, the shape file *must not* include cultural information; only the live trace map of the survey itself.

Pursuant to 30 CFR 551.12 and 30 CFR 556.32, as a condition of the sale, the BOEM Gulf of Mexico RD requests that all bidders and joint bidders submit the proprietary data identified on their GDIS within 30 days after the lease sale (unless they are notified after the lease sale that BOEM has withdrawn the request). This request only pertains to proprietary data that is not commercially available. Commercially available data is not required to be submitted to BOEM, and reimbursement will not be provided if such data is submitted by a bidder. The BOEM Gulf of Mexico RD will notify bidders and joint bidders of any withdrawal of the request, for all or some of the proprietary data identified on the GDIS, within 15 days of the lease sale. Pursuant to 30 CFR part 551 and as a condition of this sale, all bidders required to submit data must ensure that the data is received by BOEM no later than the 30th day following the lease sale, or the next business day if the submission deadline falls on a weekend or Federal holiday. The data must be submitted to BOEM at the following address:

Bureau of Ocean Energy Management

Resource Studies, GM 881A

1201 Elmwood Park Blvd.

New Orleans, LA 70123-2304

BOEM recommends that bidders mark the submission's external envelope as "Deliver Immediately to DASPU." BOEM also recommends that the data be submitted in an internal envelope, or otherwise marked, with the following designation: "Proprietary Geophysical Data Submitted Pursuant to CPA 241 and used during <Bidder Name's> evaluation of Block <Block Number>."

In the event a person supplies any type of data to BOEM, that person must meet the following requirements to qualify for reimbursement:

- (1) Persons must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). CCR usernames will not work in SAM. A new SAM User Account is needed to register or update an entity's records. The website for registering is <https://www.sam.gov>.
- (2) Persons must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The person must enroll in the IPP at <https://www.ipp.gov/>. Access then will be granted to use the IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
- (3) Persons must have a current On-line Representations and Certifications Application at <https://www.sam.gov>.

**Please Note:**

The GDIS Information Table *must be submitted digitally*, preferably as an Excel spreadsheet, on a CD or DVD along with the seismic data map(s). If bidders have any questions, please contact Ms. Dee Smith at (504) 736-2706, or Mr. John Johnson at (504) 736-2455.

Bidders should refer to Section X of this document, “The Lease Sale: Acceptance, Rejection, or Return of Bids,” regarding a bidder’s failure to comply with the requirements of the Final NOS, including any failure to submit information as required in the Final NOS or Final NOS Package.

**Telephone Numbers/Addresses of Bidders**

BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The suggested format is included in the Final NOS Package. The form must not be enclosed inside the sealed bid envelope.

**Additional Documentation**

BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46.

**VIII. BIDDING RULES AND RESTRICTIONS**

**Restricted Joint Bidders**

On November 2, 2015, BOEM published the most recent List of Restricted Joint Bidders in the *Federal Register* at 80 FR 67416. Potential bidders are advised to refer to the *Federal Register*, prior to bidding, for the most current List of Restricted Joint Bidders in place at the time of the lease sale. Please refer to the joint bidding provisions at 30 CFR 556.41 for additional restrictions.

## **Authorized Signatures**

All signatories executing documents on behalf of bidder(s) must execute the same in conformance with the BOEM qualification records. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document “Bid Form” contained in the Final NOS Package).

## **Unlawful Combination or Intimidation**

BOEM warns bidders against violation of 18 U.S.C. 1860, prohibiting unlawful combination or intimidation of bidders.

## **Bid Withdrawal**

Bids may be withdrawn only by written request delivered to BOEM prior to the Bid Submission Deadline. The withdrawal request must be on company letterhead and must contain the bidder’s name, its BOEM qualification number, the map name/number, and the block number(s) of the bid(s) to be withdrawn. The withdrawal request must be executed in conformance with the BOEM qualification records. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and documentation must be on file with BOEM setting forth this authority to act on the business entity’s behalf for purposes of bidding and lease execution under OCSLA (e.g., business charter or articles, incumbency certificate, or power of attorney). The name and title of the authorized signatory must be typed under the signature block on the withdrawal request. The BOEM Gulf of Mexico RD, or the RD’s designee, will indicate their approval by signing and dating the withdrawal request.

## **Bid Rounding**

Minimum bonus bid calculations, including rounding, for all blocks will be shown in the document “List of Blocks Available for Leasing” included in the Final NOS Package. The bonus bid amount must be stated in whole dollars. If the acreage of a block contains a decimal figure, then prior to calculating the minimum bonus bid, BOEM rounded up to the next whole acre. The appropriate minimum rate per acre was then be applied to the whole (rounded up) acreage. If this calculation resulted in a fractional dollar amount, the minimum bonus bid was rounded up to the next whole dollar amount. The bonus bid amount must be greater than or equal to the minimum bonus bid in whole dollars.

## **IX. FORMS**

The Final NOS Package includes instructions, samples, and/or the preferred format for the following items. BOEM strongly encourages bidders to use these formats; should bidders use another format, they are responsible for including all the information specified for each item in the Final NOS Package.

- (1) Bid Form
- (2) Sample Completed Bid
- (3) Sample Bid Envelope
- (4) Sample Bid Mailing Envelope
- (5) Telephone Numbers/Addresses of Bidders Form
- (6) GDIS Form
- (7) GDIS Envelope Form

## **X. THE LEASE SALE**

## **Bid Opening and Reading**

Sealed bids received in response to the Final NOS will be opened at the place, date, and hour specified in the “DATE AND TIME” and “LOCATION” sections of this document. The opening of the bids is for the sole purpose of publicly announcing and recording the bids received; no bids will be accepted or rejected at that time.

## **Bonus Bid Deposit for Apparent High Bids**

Each bidder submitting an apparent high bid must submit a bonus bid deposit to the Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. A copy of the notification of the high bidder’s one-fifth bonus bid requirement deposit may be obtained at the EFT Area outside the Bid Reading Room on the day of the bid opening, or it may be obtained on the BOEM website at <http://www.boem.gov/Sale-241/> under the heading “Notification of EFT 1/5 Bonus Liability.” All payments must be deposited electronically into an interest-bearing account in the U.S. Treasury by 11:00 a.m. Eastern Time the day following the bid reading (no exceptions). Account information is provided in the “Instructions for Making Electronic Funds Transfer Bonus Payments” found on the BOEM website identified above.

BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for CPA Sale 241, following the detailed instructions contained on the ONRR Payment Information webpage at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and will not be construed as acceptance of any bid on behalf of the United States.

## **Withdrawal of Blocks**

The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

## **Acceptance, Rejection, or Return of Bids**

The United States reserves the right to reject any and all bids. No bid will be accepted, and no lease for any block will be awarded to any bidder, unless:

- (1) the bidder has complied with all requirements of the Final NOS and applicable regulations;
- (2) the bid submitted is the highest valid bid; and
- (3) the amount of the bid has been determined to be adequate by the authorized officer.

Any bid submitted that does not conform to the requirements of the Final NOS and Final NOS Package, OCSLA, or other applicable statute or regulation may be rejected and returned to the bidder. The U.S. Department of Justice and the Federal Trade Commission will review the results of the lease sale for antitrust issues prior to the acceptance of bids and issuance of leases.

## **Bid Adequacy Review Procedures for CPA Sale 241**

To ensure that the U.S. Government receives a fair return for the conveyance of leases from this sale, high bids will be evaluated in accordance with BOEM's bid adequacy procedures. A copy of the updated Bid Adequacy Procedures can be obtained from the BOEM Gulf of Mexico Region Public Information Office, or via the BOEM Gulf of Mexico Region website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Bid-Adequacy-Procedures.aspx>.



BOEM published a notification in the *Federal Register*, 79 FR 62461-62463 (October 17, 2014), available at <http://www.gpo.gov/fdsys/pkg/FR-2014-10-17/pdf/2014-24727.pdf>, proposing the elimination of one of its acceptance rules, the Number of Bids Rule, from its bid adequacy procedures. BOEM carefully considered the comments submitted in response to the notice and met with industry representatives. BOEM believes that none of the submitted comments offered a compelling reason to retain the Number of Bids Rule, suggested a preferable alternative which BOEM had not considered, or indicated that our analysis or rationale was deficient. Therefore, BOEM removed the Number of Bids rule from its procedures. This bid adequacy change is in effect and will be applied to any bids received for the CPA Sale 241.

#### **Lease Award**

BOEM requires each bidder awarded a lease to: (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended); (2) pay by EFT the balance of the bonus bid amount and the first year's rental for each lease issued in accordance with the requirements of 30 CFR 218.155 and 556.47(f); and (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended. ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

#### **XI. DELAY OF SALE**

The BOEM Gulf of Mexico RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of an event that the BOEM Gulf of Mexico RD deems may interfere with the carrying out of a fair and orderly lease sale process. Such events could include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fires, strikes, civil disorder, or other events of a similar

nature. In case of such events, bidders should call (504) 736-0557, or access the BOEM website at <http://www.boem.gov>, for information regarding any changes.

Dated: February 10, 2016.

Abigail Ross Hopper

Director, Bureau of Ocean Energy Management

[FR Doc. 2016-03278 Filed: 2/18/2016 8:45 am; Publication Date: 2/19/2016]